

UTAH MEDICAID REFORM BILL – S.B. 180
DISCUSSION OF 1115 WAIVER – MEDICAID REFORM PRINCIPLES
MARCH 30, 2011 – CANNON HEALTH BUILDING ROOM 125
9:00 – 10:30 A.M.

Attendees:

Michael called the meeting to order at 9:00 a.m. He said this meeting is the first in a series of public meetings that will be held to receive input from the public on the implementation of S.B. 180 and the development of an 1115 waiver.

Michael then had everyone introduce themselves.

Michael began with some background on S.B. 180. He also discussed the concept paper that outlines the components of the 1115 waiver proposal. Copies of the paper “Medicaid Reform Proposal” were available for the attendees.

Having the incentives aligned and how important this is was mentioned. It was mentioned that the goal is to set up an environment where everyone will be successful and where patients will receive the proper treatment. How much consumers can be effective in setting up the success of this program was mentioned.

The Medicaid payments were mentioned. As we move through this transition, we want to keep all the buckets full. Reducing the number of uninsured was mentioned.

Shared risks were discussed. Setting up an infrastructure where everyone is working together was also mentioned. Having different standards that will have to be met for this was discussed. We will have to come up with some minimum standards and criteria for this. If the risks are shifted, you have to shift the pay as well.

It was mentioned that if we want to really change how care is delivered, payment has to follow through to the end of the road. We have to examine payment structures so providers will be willing to take Medicaid patients. How we do this will be our biggest challenge. Quality being maintained is a part of this.

Assessments and how important they are were mentioned. The things coming down from the Federal Government are going to start making them look at things differently.

Michael Hales said we can submit an amendment to the waiver we need to. He said all these ideas are definitely worth exploring. This will be a major cost issue with hospitals. Michael said right now the Medicaid agency receives rebates from pharmaceutical companies. Now health plans will be able to receive rebates. Michael said they want to let the health plans handle their own pharmaceutical benefits. It was mentioned that we don't want to get between pharmaceutical and the patient.

Strengthening the Preferred Drug List (PDL) as part of this and how important that could be was mentioned. It was also mentioned that this will probably bring about a higher use of generic drugs because of the incentive system.

Michael explained how there will still be the same controls on pharmaceuticals. Michael said the State's PDL will continue to exist but the health plans will be putting together their own plans. They would have to follow what drugs Medicaid has available.

The current Medicaid pharmacy statute and the relationship between PDL and P&T were mentioned. Michael said we need to see what is in the statute that would apply to all this. He said there are some things we would really appreciate some technical assistance with.

Where the biggest savings would come from was mentioned. Michael said one of the things we are looking at is greater cost sharing flexibility. What is the best way to develop this? One of the items to help with the cost is a sliding scale. Triage and making people go to the cheapest place for treatment was mentioned. Do we have the proper provider network to do this was mentioned. Michael mentioned that we need to decide what the quality measure will be. NCQA has developed some quality criteria for credentialing Accountable Care Organizations (ACOs). This information is supposed to be made public in July 2011. Different things the ACOs will have to achieve in order to be part of this were mentioned.

There are a lot of things that will have to be done before we can be successful in regard to this and having quality care. Our focus right now needs to be put on what things need a federal waiver to accomplish. All these things need to be included in the waiver that will be sent to CMS in a few months. Michael said we need to figure out what the potential carrots are that would be offered by the health plans and include that in the waiver. We may also need waivers on the potential designs.

Different incentive programs that could be set up to help people work hard on their health and keep it under control were mentioned and discussed. How getting proper education in regard to health issues for people was mentioned and how it could help. It was mentioned that affordability is definitely important in regard to compliance.

An incentive program that California had worked out with CMS was mentioned. Michael said he has had staff looking into this. Having buckets of funds and how this would incentivize care was also mentioned. It was mentioned that there is really a small amount of money that can be used for incentives. Michael said that he thinks CMS is willing to approve some of these incentive carrots, but we need to look at other states and see what they have come up with.

By April 29th, if you have specific ideas, if you could submit them to Michael on how you would like the flexibility of the health plans to offer the carrots to Medicaid clients, this would be very helpful. Judy Hilman said she would like to suggest that before April 29th we meet with whoever is interested and look at their experience with carrots and sticks. She said she would like everyone that is interested in this to participate in it.

Michael said he thinks we are talking about having weekly meetings on these things. He said they want to be able to work through some of these specific issues. On the provider side, it was mentioned that we will have to be sure that we have the right people in the room when we discuss these things. He told everyone to think of who they will want to participate in these meetings. Michael said they are

probably thinking Wednesday mornings for these meetings. It was mentioned that having Wednesday afternoons for the meetings might be better for the providers. Michael will send out a schedule to this group. The monthly meetings could maybe just be a part of this. It was mentioned that the hospitals will not be available during the second and fourth weeks. They will alternate these meetings between the providers and the hospitals and advocates for client-based issues.

Michael said next week they will be talking specifically about rate setting. Michael said he will send out a schedule for the meetings that will be coming up or send out a schedule for the next four to five weeks. A copy of this waiver has to be to the Legislature by June 1st.

Michael thanked everyone for their interest and participation in this.

Judi Hilman said she will email out a link to a document on transitions to accountable care.